



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9567]

RIN 1545-BK17

Reporting of Specified Foreign Financial Assets; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment

SUMMARY: This document contains corrections to final regulations (TD 9567), which were published in the Federal Register on Monday, December 19, 2011, relating to the reporting of specified foreign financial assets.

DATES: Effective date: This correction is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], and is applicable beginning December 19, 2011.

FOR FURTHER INFORMATION CONTACT: Joseph S. Henderson, (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under section 6038 of the Internal Revenue Code.

Need for correction

As published on December 19, 2011, (76 FR 78561), final regulation (TD 9567), contains errors which may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements

Accordingly, 26 CFR Part 1 is corrected by making the following correcting amendments.

PART 1--INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 USC 7805 * * *

PART 1 [CORRECTED]

Par.2. Section 1.6038D-2T is amended by:

1. Revising the last sentence of paragraph (b)(3).
2. Revising, in paragraph (d), the subject heading and fifth sentence of paragraph (2)(i) in the Example.

The revisions read as follows:

§1.6038D-2T Requirement to report specified foreign financial assets **(temporary)**.

* * * * *

(b) * * *

(3) * * * See §1.6038D-5T(f) for rules to determine the maximum value of an interest in a foreign trust or estate.

* * * * *

(d) * * *

Example. * * *

(2) * * *

(i) Married specified individuals filing separate annual returns. * * * See § 1.6038D-5T(b) regarding the maximum value of a jointly owned and specified foreign financial asset to be reported by a specified person, including a married specified individual, that is a joint owner of an asset. * * *

* * * * *

Par. 3. Section 1.6038D-4T is amended by revising paragraph (a)(9) to read as follows:

§ 1.6038D-4T Information required to be reported (temporary).

(a) * * *

(9) The foreign currency exchange rate and, if the source of such rate is other than as described in § 1.6038D-5T(c)(1), the source of the rate used to determine the specified foreign financial asset's U.S. dollar value, including maximum value; and

* * * * *

Par. 4. Section 1.6038D-5T is amended by revising paragraph (c)(1).

§ 1.6038D-5T Valuation guidelines (temporary).

* * * * *

(c) * * *

(1) *In general.* Except as provided in paragraph (c)(2) of this section, the U.S. Treasury Department's Financial Management Service foreign currency exchange rate is to be used to convert the value of a specified foreign financial asset into U.S. dollars for purposes of determining the aggregate value of specified foreign financial assets in which a specified person has an interest and determining the maximum value of a specified foreign financial asset.

* * * * *

Par. 5. Section 1.6038D-7T is amended by revising paragraphs (a)(1)(i)(C) and (b) introductory text to read as follows:

§1.6038D-7T Exceptions from the reporting of certain assets under section 6038D (temporary).

(a) * * *

(1) * * *

(i) * * *

(C) Form 8621, "Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund";

* * * * *

(b) Owner of certain trusts. A specified person that is treated as an owner of any portion of a domestic trust under sections 671 through 678 is not required to file Form 8938 to report any specified foreign financial asset held by the trust if the trust is--

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